

Town of Coventry
168 Main Street
Coventry, VT 05825
Tel: (802) 754 2288

BALANCED BUDGET POLICY

Town of Coventry, Vermont.

PURPOSE. The Select Board of the Town of Coventry, Vermont believes that sound financial management requires that the annual Town budget be developed and administered in such a way that annual revenue from property taxes and other sources equals annual expenses. Adoption and administration of balanced budgets will help maintain the stability of the Town tax rate and reduce the need for borrowing.

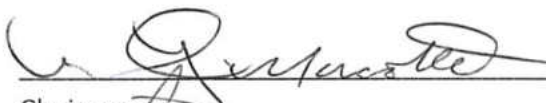
BUDGET DEVELOPMENT AND APPROVAL. Each year, the Select Board will develop and present to the voters an operating budget that balances annual revenues and annual expenditures for all funds. The Select Board will avoid proposing annual budgets that overestimate revenues, defer maintenance or replacement of essential capital assets, roll over short-term debt, or inadequately fund Town obligations.

BUDGET ADMINISTRATION. The Select Board administers the town budget through its authority to sign orders for payment of town funds. 24 V.S.A. §§ 1576, 1621 and 1622. To approve orders, the Select Board must, by a majority of the total number of members of the board, vote to authorize the Treasurer to disburse money. In order to carry out this responsibility effectively, the Select Board must have timely and accurate information about the status of the town's finances. To this end, the Select Board and Treasurer have adopted a financial reporting policy under which the Treasurer prepares monthly financial reports for the Select Board's budget management purposes.

The Select Board recognizes that unanticipated expenditures and revenue shortfalls caused by circumstances not foreseen at the time a budget is approved by the voters may require transfer of money between line items or even deficit spending. The Select Board will endeavor to administer the Town budget to provide services in a manner consistent with the voters' expectations in light of actual circumstances that arise during the fiscal year, and will manage the budget to avoid, to the extent reasonably possible, deficit spending or the need to borrow money to pay current operating expenses.

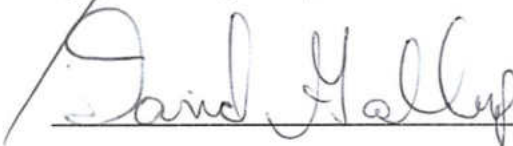
LINE ITEM TRANSFERS. During the fiscal year, all transfers between budget line items will require a majority vote of the Select Board. The vote will state the line items that are subject to transfer, the reason for the transfer, and the reason funds are available for transfer. Transfers will be made consistent with any applicable statute or legal obligations that may encumber or restrict the use of certain funds, including 19 V.S.A. § 312. At the close of the fiscal year, the Treasurer will present a budget closing plan to the Select Board, making recommendations for transfers between line items, and recommending the application of any budget surplus. Approval of the budget closing plan will require a majority vote of the Select Board. Any annual budget deficit will be addressed in accordance with 24 V.S.A. § 1523(a).

The foregoing Policy is hereby adopted by the Select Board and Treasurer of the Town of Coventry, Vermont, this 17 day of June, 2019 and is effective as of this date until amended or repealed.



Chairperson







Treasurer



Town Administrator